


Case Clip(s) Detailed Report  
 Tuesday, November 10, 2009, 5:46:27 PM

## Fair Isaac v Experian et al

 **Burns, Barrett (Vol. 01) - 10/11/2007**

1 CLIP (RUNNING 00:11:06.464)

 Good morning, Mr. Burns. ...

**BURNS** **18 SEGMENTS (RUNNING 00:11:06.464)**



**1. PAGE 6:20 TO 6:23 (RUNNING 00:00:06.767)**

20 Q. Good morning, Mr. Burns.  
 21 Would you please state your full name  
 22 for the record?  
 23 A. Barrett Burns.

**2. PAGE 6:24 TO 7:02 (RUNNING 00:00:04.467)**

24 Q. Mr. Burns, have you ever been deposed  
 25 before?  
 00007:01 Burns - Confidential - Outside Counsel Only  
 02 A. No.

**3. PAGE 20:18 TO 20:20 (RUNNING 00:00:05.066)**

18 Q. And your current position at  
 19 VantageScore is CEO?  
 20 A. President and CEO.

**4. PAGE 22:20 TO 23:06 (RUNNING 00:00:53.100)**

20 Q. Let's step back a second and have you  
 21 tell us about the legal structure of VantageScore  
 22 as a corporate or legal entity, how it's  
 23 structured and who its stakeholders are.  
 24 A. The entity is named VantageScore  
 25 Solutions LLC. It is an LLC. It is owned equally  
 00023:01 Burns - Confidential - Outside Counsel Only  
 02 by TransUnion, Equifax, and Experian, a third and  
 03 a third and a third. As far as governance, they  
 04 each have two we call them member representatives.  
 05 And that's how we're organized. That's how we're  
 06 organized.

**5. PAGE 23:10 TO 23:16 (RUNNING 00:00:36.300)**

10 Q. Who are the member representatives for  
 11 each of the three credit bureaus?  
 12 A. For Experian it is Kerry Williams and  
 13 Gary Kearns, K-E-A-R-N-S. For TransUnion it is  
 14 Jeff Hellinga and Chet Wiermanski. For Equifax it  
 15 is Paul Springman. And the other position at this  
 16 time is vacant.

**6. PAGE 26:09 TO 27:22 (RUNNING 00:02:30.533)**

09 Q. Back to the role of VantageScore, which  
 10 is not to sell the algorithm but to educate  
 11 people, market it, tell us what the role of  
 12 VantageScore is.  
 13 A. We have several purposes, several  
 14 roles. One is to warehouse and maintain the  
 15 algorithm. Two is to educate various audiences  
 16 about VantageScore. Three is to revalidate the  
 17 score periodically. That's the primary purpose of  
 18 the -- and of course to license the algorithm back  
 19 to the three credit reporting companies. And  
 20 again, our role is not to -- we do not sell.

Case Clip(s) Detailed Report  
 Tuesday, November 10, 2009, 5:46:27 PM

### Fair Isaac v Experian et al

21 Q. I want to talk about these in a little  
 22 more detail in order here. When you say to  
 23 maintain the algorithm and warehouse it, where  
 24 does that physically take place?  
 25 A. In our offices in Stamford,  
 00027:01 Burns - Confidential - Outside Counsel Only  
 02 Connecticut.  
 03 Q. Is the algorithm stored on a computer  
 04 there?  
 05 A. Yes.  
 06 Q. Is the algorithm also physically  
 07 located at the credit bureaus, somewhere under  
 08 their role and operation?  
 09 A. They reside on their platforms.  
 10 Q. And this education process, who are the  
 11 targets of the education initiatives?  
 12 A. The targets of the education  
 13 initiatives are regulators, rating agencies, Wall  
 14 Street, the media, consumers in general, the GSEs.  
 15 Q. What's GSE stand for?  
 16 A. To be specific, it's Fannie Mae,  
 17 Freddie Mac, federal home loan banks. GSE stands  
 18 for government-sponsored entities.  
 19 Q. Anyone else?  
 20 A. Consumer advocacy groups.  
 21 Q. Anyone else?  
 22 A. I think that pretty much covers it.

#### 7. PAGE 29:14 TO 29:23 (RUNNING 00:00:36.633)

14 Q. Do you have to go through any approval  
 15 process by the governing body of the LLC before  
 16 you can make public statements about VantageScore?  
 17 A. No.  
 18 Q. Do you, as a matter of courtesy or  
 19 policy, run drafts of statements by anybody at the  
 20 credit bureaus before you make them?  
 21 A. Oh, we probably have. I wouldn't want  
 22 to say every type that we haven't. We probably  
 23 have.

#### 8. PAGE 49:17 TO 50:03 (RUNNING 00:00:27.267)

17 Q. Who is Starkman & Associates?  
 18 A. A public relations firm.  
 19 Q. Are they VantageScore's public  
 20 relations firm?  
 21 A. They were.  
 22 Q. No longer?  
 23 A. No longer.  
 24 Q. During what time period were they  
 25 VantageScore's public relations firm?  
 00050:01 Burns - Confidential - Outside Counsel Only  
 02 A. September of '06 through -- this is  
 03 October, September -- August of '07.

#### 9. PAGE 50:04 TO 50:12 (RUNNING 00:00:20.766)

04 Q. Why was the relationship between  
 05 VantageScore and Starkman terminated?  
 06 A. The board felt that they had done a  
 07 good job and that we had established significant  
 08 momentum having it outsourced and it was time to  
 09 bring it in-house.  
 10 Q. Does VantageScore currently use the  
 11 services of an outside PR firm?  
 12 A. No.

Case Clip(s) Detailed Report

Tuesday, November 10, 2009, 5:46:27 PM

**Fair Isaac v Experian et al**

**10. PAGE 57:21 TO 57:25 (RUNNING 00:00:05.000)**

21 Do you know the most widely used credit  
22 score?  
23 A. Yes.  
24 Q. Which is what?  
25 A. FICO.

**11. PAGE 75:24 TO 76:02 (RUNNING 00:00:07.300)**

24 Q. Now, consumers, are consumers a  
25 potential target market for the bureaus to sell  
00076:01 Burns - Confidential - Outside Counsel Only  
02 VantageScore?

**12. PAGE 76:04 TO 76:25 (RUNNING 00:00:55.100)**

04 A. I -- you'd have to ask them.  
05 Q. Do you know if the bureaus are  
06 attempting to sell VantageScore directly to  
07 consumers?  
08 A. There is some initiative, yes.  
09 Q. VantageScore has a Web site; right?  
10 A. We do.  
11 Q. Have you seen the Web site?  
12 A. I have.  
13 Q. Do you approve what goes on the Web  
14 site?  
15 A. I do.  
16 Q. If you go to the Web site, there are  
17 links that will allow you to navigate to each of  
18 the bureaus; correct?  
19 A. Correct.  
20 Q. And if you navigate to those bureaus,  
21 there are links that will allow you to purchase  
22 VantageScore -- right? -- as a consumer?  
23 A. I haven't gone on our links to it, but  
24 I believe you can purchase in some places  
25 VantageScore.

**13. PAGE 78:13 TO 78:17 (RUNNING 00:00:08.433)**

13 Q. Is there an industry standard score  
14 today?  
15 A. I believe so.  
16 Q. Which score is that?  
17 A. FICO.

**14. PAGE 251:06 TO 252:16 (RUNNING 00:01:40.367)**

06 (Exhibit 17, e-mails, including e-mail  
07 from Pratt to Burns, et al., marked for  
08 identification, as of this date.)  
09 Q. Mr. Burns, I've had the court reporter  
10 mark and hand you Exhibit 17, which is another  
11 e-mail string. And included in this string is --  
12 and this is on the first page of the exhibit -- is  
13 an e-mail from Stuart Pratt to himself, Norm  
14 Magnuson and you, referencing VantageScore  
15 article.  
16 Do you see that?  
17 A. Yes.  
18 Q. And there's a reference in here that  
19 says, Have you considered running some consumer  
20 polling on the question of consumer preferences  
21 for the A, B, C, D, F system versus the  
22 traditional FICO approach? Would be great to show  
23 that consumers in Connecticut, California,  
24 Alabama, et cetera, all favor the A, B, C, D, F

Case Clip(s) Detailed Report  
Tuesday, November 10, 2009, 5:46:27 PM

**Fair Isaac v Experian et al**

25 approach and believe they'll better understand  
00252:01 Burns - Confidential - Outside Counsel Only  
02 their scores.  
03 Do you see that?  
04 A. I do.  
05 Q. You then reply and state: The idea of  
06 a survey on the grades is a good one; right?  
07 A. Actually I didn't reply.  
08 Q. I'm sorry, you forwarded it --  
09 A. Correct.  
10 Q. -- to your folks at Starkman; correct?  
11 A. Correct.  
12 Q. Do you know if they ever followed up  
13 and conducted or caused to be conducted a survey?  
14 A. We did not do a survey.  
15 Q. Why not?  
16 A. We didn't have time.

**15. PAGE 252:25 TO 254:05 (RUNNING 00:01:33.800)**

25 Q. Mr. Burns, I've had the court reporter  
00253:01 Burns - Confidential - Outside Counsel Only  
02 mark and hand you Exhibit 18, and included in this  
03 is an e-mail from Jacqueline Condie at Starkman  
04 Associates to you dated September 26th; correct?  
05 A. Correct.  
06 Q. And in this e-mail she suggests some  
07 points for you to clarify with Dara Duguay at  
08 Citigroup; right?  
09 A. It appears that way.  
10 Q. And among the points she wants you to  
11 clarify is, quote, Although VantageScore relies on  
12 a three-digit number, a third party could easily  
13 develop a competing score that returns a two- or  
14 four-digit number or any other number of digits,  
15 for that matter. Hence, please do not make it  
16 appear that VantageScore is asserting that credit  
17 scores are three-digit numbers.  
18 Do you see that?  
19 A. I do.  
20 Q. Did you ever make that point to Dara  
21 Duguay at Citigroup?  
22 A. I never -- I don't recall, but I didn't  
23 have any direct conversations or communications  
24 with her, with this Dara.  
25 Q. Did you ever write back to Jacqueline  
00254:01 Burns - Confidential - Outside Counsel Only  
02 Condie and inform her that she was wrong about a  
03 competitor being easily able to develop a  
04 competing score that returns a two- or four-digit  
05 number?

**16. PAGE 254:08 TO 254:08 (RUNNING 00:00:02.631)**

08 A. I don't recall.

**17. PAGE 262:07 TO 262:13 (RUNNING 00:00:16.267)**

07 Q. Do you know if any of the bureaus are  
08 selling directly to consumers?  
09 A. Yes, I do.  
10 Q. And are they?  
11 A. Two are.  
12 Q. Which two?  
13 A. Experian and TransUnion.

Case Clip(s) Detailed Report

Tuesday, November 10, 2009, 5:46:27 PM

**Fair Isaac v Experian et al**

---

18. PAGE 263:19 TO 264:06 (RUNNING 00:00:36.667)

19 (Exhibit 21, e-mail from Girard to  
20 Burns, et al., marked for identification, as  
21 of this date.)  
22 Q. Mr. Burns, I've had the court reporter  
23 mark and hand you Exhibit 21, which appears to be  
24 an e-mail from Don Girard to you and others.  
25 Did you in fact receive this e-mail?  
00264:01 Burns - Confidential - Outside Counsel Only  
02 A. I don't recall firsthand. It was  
03 almost a year ago.  
04 Q. Do you have any reason to believe you  
05 did not receive it?  
06 A. No.

TOTAL: 1 CLIP FROM 1 DEPOSITION (RUNNING 00:11:06.464)